

## **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

NATIONAL VEHICLE AND FUEL EMISSIONS LABORATORY 2565 PLYMOUTH ROAD ANN ARBOR, MICHIGAN 48105-2498

OFFICE OF AIR AND RADIATION

November 4, 2015

CD-15-25 (LDV/LDT/ICI/LIMO)

## SUBJECT: Caps on Off-cycle Greenhouse Gas Credits

Dear Manufacturer:

Regulations in 40 CFR 86.1869-12 authorize "off-cycle" greenhouse gas credits for several technologies or technology groupings, subject to specified caps. During EPA's review of manufacturer compliance documents, it became apparent that some manufacturers were applying these caps incorrectly.

With the exception of the 10 gram/mile cap on credits described in 86.1869-12(b)(2), which is clearly described as a fleet-wide cap and includes a fleet-wide calculation methodology, all other caps in this section of the regulations should be applied on a per-vehicle basis. This includes the cap on high-efficiency lighting of 1.0 gram/mile described in 86.1869-12(b)(1)(ii), the car- and truck-specific caps on credits from the thermal control subset of technologies described in 86.1869-12(b)(1)(viii), and the car- and truck-specific caps for glass or glazing described in 86.1869-12(b)(1)(viii)(A). As described in the preamble to the final rule, the regulations specify "per vehicle credit levels." (77 FR 62624, 62833, Oct. 15, 2012). Thus, the credits must be applied such that no single vehicle exceeds any of these per-vehicle caps.

Manufacturers that applied these caps incorrectly in their reporting for the 2014 model year must make corrections to their methodology and submit a revised report to EPA, which should be submitted no later than Friday, November 13, 2015. If a manufacturer applied the caps incorrectly but can document that no vehicles exceeded the caps and that there is no impact on 2014 model year off-cycle credits, a letter to EPA indicating this may be submitted in lieu of a revised model year report.

If you have any questions about these instructions, please contact your certification team representative.

Sincerely,

Am J. Bran

Byron Bunker, Director

Compliance Division

Office of Transportation and Air Quality